



## Indian Capital Goods Sector – Sell ABB; Hold Thermax

- It seems that significant order momentum in the T&D (Transmission and Distribution) segment is to take place by the second half of FY10. This is because of the slippages in the power generation front.
- BHEL appears to be in a much better position because of confirmed orders and demand. There has been significant increase in the balance of plant equipment ordering status. There would be considerable improvement in the profit margins.
- We continue to maintain our negative view on the sector because a smart recovery in the private investments is unlikely to materialise in the immediate term.
- Scripwise, the sell recommendation on ABB is maintained. Hold on to Thermax Ltd.

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